8

CITY OF OTTAWA - VILLE D'OTTAWA

From: Community Development Department
De:

Date: July 11, 1985

Ref. No.: 0713-359/85 CD1E0001
Nº de ref.:

Action / Exécution		Information / Pour votre gouverne	Ward / Quartier
[ ] Administrative / administrative	[X] Policy / Politique	[ ]	City-Wide

TO/À:

[1] Ottawa Planning Committee / Comité d'urbanisme d'Ottawa

[ ] Physical Environment Committee / Comité de l'environnement

[ ] Admin., Policy and Priorities Committee / Comité de l'adm., des politiques et des priorités

[ ] Other / Autre

Non-Profit Housing / Logement à but non lucratif

[ ] Executive Committee / Comité exécutif

[ ] Board of Directors / Conseil d'administration

[2] City Council / Conseil municipal

SUBJECT/OBJET

2. Bonus Zoning for Social Housing. CD-43-10-2.

Zonage avantageux pour le logement subventionné.

RECOMMENDATION(S)

1. That the Draft Official Plan Amendment - Bonus Zoning for Social Housing, enclosed as Attachment 1 be approved in principle.

2. That the Planning Branch immediately initiate the Bonus Zoning Action Programme summarized in Attachment 2.

R. Bailey,
Commissioner of
Community Development.

RD:agb-2
CD1E0001
25/06/85

OTTAWA PLANNING COMMITTEE RECOMMENDATION

The Committee concurs and so recommends subject to the following amendment:

That the report be amended to provide generally that Council may enter into agreements pursuant to the power in Section 36 of the Planning Act where applications are received to increase the height or density of a site.

Yeas: Aldermen Denison, Kehoe and N. Smith

Nays: Aldermen Bird and Holmes

CITY COUNCIL ACTION - AUGUST 7, 1985

Moved by Alderman N. Smith, seconded by Alderman Kehoe, that the report be corrected to read 'does not concur and recommends the following."

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OTTAWA PLANNING COMMITTEE
JUL 23 1985
Referred for one week

OTTAWA PLANNING COMMITTEE
JUL 30 1985

OTTAWA PLANNING COMMITTEE
COUNCIL REPORT
#15 B
AUG 7 1985
Carried as amended.

BACKGROUND

At its meeting of November 15, 1984, Council instructed the Housing Study Team,

"1. To develop housing policies and action programmes addressing specific housing issues in accordance with priorities to be approved by Council."

The Work Programme described the shortage of affordable rental housing for low and moderate income households as a "top priority" issue and suggested that the Housing Team evaluate programmes "encouraging new rental units through zoning incentives such as a density bonus".

Density bonuses, or bonus zoning provide for more flexible land use control by allowing the municipality to provide developers with extra height or density in exchange for some public amenity such as open space or social housing. Over the last ten years, bonus zoning has been used in a significant number of North American cities.

Section 36 of the Ontario Planning Act enables municipalities to award increases in density and height of development in return for meeting specific municipal objectives.

SUMMARY OF FINDINGS:

1. In budgetary terms, bonus zoning is one of the least costly housing programmes available to the City. No cash subsidies are required; the municipality simply grants extra density in return for social housing.

2. Bonus zoning has the attraction of being a positive, incentive type of programme. it is designed to encourage, rather than restrict the private development industry.

3. Lack of senior government Private Rent Supplement subsidies and concerns over the appropriateness of providing social housing units in newer, semi luxury buildings have hampered bonus provisions in Toronto and Vancouver. More successful bonus programmes have allowed for "off site transfers"; that is, provision of social housing at alternate sites which are more suited to the needs of residents.

4. Bonus zoning may be applied on an "as of right" basis, where Council establishes a bonus district and initiates an area-wide rezoning to implement the provision, or on a "negotiated" basis where the developer applies for a site-specific rezoning to implement the bonus provision.

5. Although "negotiated" bonus provisions require site specific rezonings and are thereby more time consuming, the report argues in favour of a "negotiated" approach since: (1) it provides greater opportunity for consideration of community impacts at the time of development; and (2) it is more responsive to market conditions than the "as of right" approach.

6. The report recommends that Council approve in principle the Official Plan amendment in Attachment 1. This amendment is general in nature; it would simply enable the City to use bonus zoning for social housing in the future. It is also recommended that staff draft Bonus Guidelines. These Council-approved Guidelines would provide more detailed ground rules for the bonus programme.

OPTIONS

N/A

RATIONALE

I. WHY BONUS ZONING?

1. BONUS ZONING TARGET GROUPS

The Phase 1 Report by Peter Barnard Associates concluded that in 1981, almost 24,000 low and moderate income renter households had unmet housing needs*. This estimate represented about 38% of all renter households in the City (1).

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* These figures are estimates based on 1981 census data and should not be interpreted as production targets.

Ottawa's apartment vacancy rates have been among the lowest in the country since 1981. Current construction trends indicate that rental shortages, particularly at the lower end of the market, are likely to persist in the City for the foreseeable future (2).

Bonus zoning can be used as a means to obtain housing assistance for a variety of needy target groups. Bonusing can be used to enhance the section 56.1 Non-Profit and Co-operative programmes, or as a means for the City to capitalize its own efforts in the acquisition of accommodation for singles.

2. OBJECTIVES OF BONUS ZONING FOR SOCIAL HOUSING

A number of objectives that have been ascribed to social housing bonus provisions in other municipalities would apply in Ottawa:

- INCREASING SUPPLY OF SOCIAL HOUSING. Encouraging the provision of affordable rental housing for low and moderate income earners is the main programme objective assigned to bonus zoning programmes.

- ENCOURAGING INCOME MIXING/INTEGRATION. Bonus programmes were envisioned by other cities as a means by which social housing units could be dispersed into private rental projects. This was intended to avoid the stigma and neighbourhood resistance associated with some Public Housing projects.

- MAINTAINING COST EFFECTIVENESS. A City of Vancouver Planning Study reviewed a range of municipal incentive programmes aimed at encouraging the private market to provide affordable housing. It concluded that: "the least costly incentives (in terms of direct outlay of funds) involve trading rezonings to allow higher density for more housing" (3). One of the objectives of social housing bonus provisions, therefore, is to provide the maximum number of assisted units at minimum cost to government.

- POSITIVE IMPACT ON DEVELOPMENT INDUSTRY. Bonus zoning is intended to encourage developers to provide affordable housing. Unlike many other housing policy instruments which are regulatory in nature, bonus zoning is likely to garner support from the development community.

II. THE TORONTO/VANCOUVER EXPERIENCE WITH BONUS ZONING

Encouragement of social housing via bonus zoning has been tried with varying degrees of success in a number of American cities over the last 10 years (e.g., Southampton, New York; San Diego, California; Dade County, Florida; Arlington County, Virginia; and Baltimore, Maryland). The majority of these U.S. programmes have been aimed at encouraging inclusion of affordable units in new, suburban subdivisions.

Canadian bonus provisions are also quite common (e.g., Alvinston, Kingston, North York, Toronto, Vancouver). It is useful to review the lessons learned from bonus zoning for social housing in the cities of Toronto and Vancouver:

1. THE VANCOUVER PROVISIONS

In 1976, the City of Vancouver introduced a bonus provision in a centrally located, mixed residential/commercial area. The provision allowed:

- An increase in the allowable floor space ratio from 0.75 to a maximum of 1.9 provided that 20% of all the units in the project are supplied at rents affordable to low and average income earners.

- Bonus units are filled from a waiting list maintained by B.C. Housing Management, the City of Vancouver or another appropriate agency.

- The agreement to provide affordable units is registered as a covenant under the Land Titles Act to ensure that they remain as low and moderate income housing for the agreed on period.

The Vancouver bonus provisions have not been as successful as the City had hoped. In the nine years following the introduction of the programme, only eleven units were produced (4). Several reasons are given for this disappointing performance:

- LUXURY PROJECTS. Emphasis on luxury projects in the bonus area resulted " in a potentially unacceptable (for the developer) spread between incomes of market purchasers and bonus tenants. There arose a question of just how to justify subsidies to house low income people in buildings with built in saunas, jacuzzis, etc." (5).

- UNSUITABLE AREA. Design studies found that the extra density allowed under the bonus provision was not suited to the scale of the surrounding streetscape. It was also found that as densities approached the 1.9 F.S.I. mark, projects became less suitable for family living.

- TECHNICAL CONFLICTS. Contradictions between building height guidelines under the building code and zoning by-law made it impossible for developers to utilize the additional density under the bonus provision.

- UNCLEAR OPERATING PROCEDURE. Given the absence of a Municipal Non-Profit Corporation in the City of Vancouver, it was unclear which agency would maintain the waiting list for assisted units and monitor bonused projects to ensure that agreements were upheld. B.C. Housing Management was able to assist in this area but was not funded to provide rent geared to income subsidies for bonus units.

The weaknesses of the Vancouver programme are by no means insurmountable. Ottawa has the advantage of an existing Municipal Non-Profit Corporation which already handles the administration of a waiting list.

In addition, the problems associated with bonus units in a luxurious area such as Kitsilano can be avoided by building in provisions for off-site transfers of assisted units. Under this arrangement, the developer would construct the bonused project after granting units, land or cash to the City for use under the section 56.1 programmes or as part of a City-initiated social housing development.

Off-site transfers thus ensure the developer of flexibility and the City of a site which is better suited to the needs of assisted households.

2. THE TORONTO PROVISIONS

The City of Toronto bonus provisions were formalized as part of its Official Plan in 1978. Under this programme developers in mixed commercial/residential districts may obtain densities up to 25% greater than the permitted residential maximum if the owner agrees with the City to use the additional units for social housing (6).

The Toronto bonus provision was originally intended to rely on the Federal/Provincial Private Rent Supplement programme for geared to income assistance. Unfortunately, provincial authorities have only been willing to enter into Rent Supplement agreements in one bonused project. This was accomplished only after "prolonged and difficult negotiations".

The high rent, luxurious nature of new private developments in Toronto have made Provincial authorities reluctant to enter into Rent Supplement agreements. This has created problems for projects which were built with the extra density but judged to be unsuitable for Rent Supplements.

One development (74-86 Gerrard) forfeited its bonus units during construction. Another (13-23 Pembroke) sold eight units to the Municipal Non-Profit Corporation. Yet another project (27 Wellesley East) is still tied up in litigation with the City over its bonus agreement (6).

Lack of Rent Supplement subsidies has led the City to require that bonused projects be committed to a specific social housing programme prior to the issuance of a building permit. Unfortunately, provincial authorities will only sign Private Rent Supplement agreements after construction (7).

As a result of these problems, the City of Toronto has moved to a variety of "second generation" bonus projects. These involve the developer providing land, property or cash to Co-op or Non-Profit groups in return for extra density. At 1 Park Lane, for example, a Co-op was built adjacent to a luxury condominium project as part of the bonus provision.

The advantage of the third sector programmes is that units are committed prior to construction, and are more actively funded than the older, Private Rent Supplement programme.

One drawback of this approach, however, is that Co-op and Non-Profit groups are generally unwilling to purchase or lease units in a private building. The result is that these programmes can only be used on large sites capable of supporting a private (bonused) building as well as a separate social housing building. In addition, residential or commercial developers at luxury locations are often unable to sell land to third sector groups for prices below the capital cost constraints (M.U.P.'s) associated with these programmes.

In a number of instances, therefore, the City of Toronto has provided higher densities in return for land or units for social housing at alternate sites. The Asquith Park project for example, was built as part of a land exchange with Crown Life Insurance. Located close to Yonge and Bloor, the City received a centrally located site which was eventually used for a 17 storey Non-Profit apartment building.

Other examples of off-site, negotiated bonus agreements include the "Atrium on Bay" and "Eaton's Centre Phase II" developments. As part of the Development Review process these projects received extra density in exchange for land or units at alternate locations. A major downtown Non-Profit project has recently been constructed utilizing land received as part of the "Atrium on Bay" exchange.

3. CONCLUSIONS FROM THE TORONTO/VANCOUVER EXPERIENCE

The review of experiences with various forms of bonus zoning in Toronto and Vancouver indicates that these programmes, if properly designed, can be extremely useful.

"First generation" bonus provisions required developers to provide assisted units within new private projects. These types of programmes did not perform well as a result of lack of compatibility with senior government Private Rent Supplement programmes and questions arising from the appropriateness of providing social housing in luxury buildings. As a result, these "first generation" programmes have been phased out.

"Second generation" bonus provisions have had more success. These types of provisions allow the developer to provide property or cash in lieu to the City in return for extra density. The donated property may be in the form of units, land or cash-in-lieu. It may be part of the bonused site, or at a more suitable location in the City. This property can then be used as municipal equity in other City-initiated or senior government social housing developments.

Off-site transfers of land, units or cash-in-lieu in exchange for a density bonus can prove useful where the bonused project is on a site which is too small or too expensive to support a separate Non-Profit or Co-op building.

Off-site exchanges may also be useful where a Non-Profit or Co-op unit allocation is not available when the bonused project is ready for construction. Rather than proceed without commitment to a social housing programme, the municipality can simply require the developer to grant an agreed on amount of land, ash or units in return for the bonus. The City is then free to hold the property or cash until an allocation is available.

Off-site exchanges can also be used as equity in City-sponsored projects, such as the acquisition of rooming houses.

III. IMPLEMENTING BONUS ZONING IN OTTAWA

1. EXPERIENCE TO DATE WITH BONUSING

Bonus zoning has been used to a limited extent in the City of Ottawa. The RO [x] - 3.0 zone in the City's West Quadrant area provided an F.S.I. of 3.0 for commercial development or 5.0 for residential projects. This zoning was changed in 1984 to make the area purely residential. In other areas, the Committee of Adjustment has granted increased density in return for the provision of parking facilities.

While not bonus zoning per se, negotiated exchanges of land or property have occurred in the City in recent years. All of these exchanges, however, were arranged on an ad hoc basis.

At present there is no Official Plan statement permitting bonus zoning and no guidelines have been prepared governing the range of densities and amenities which may be negotiated. An Official Plan policy statement and Guidelines for the administration of a bonus zoning policy would provide a legislative basis for bonus zoning as well as a more certain approach to the application of these provisions.

The next section outlines policy measures which would make bonus zoning for social housing a more formal, certain process:

2. INGREDIENTS FOR A SUCCESSFUL BONUS PROVISION

The above discussion has shown that a successful bonus provision for social housing must ensure the following:

- Compatibility with Assisted Housing Programmes
- Modest, Appropriate Assisted Units
- Suitable Bonus Areas
- Clear Administrative Guidelines

a) Ensuring Compatibility with Assisted Housing Programmes

As noted above, a major flaw in the early Toronto bonus provisions was their reliance on the Section 44.1(a) Private Rent Supplement programme. It is likely that reliance on this programme as a delivery vehicle in Ottawa would also pose problems.

Since 1982, the Ontario Housing Corporation has expanded its Private Rent Supplement portfolio by an average of only 70 units per year in the City of Ottawa. Given that the average term of a Private Rent Supplement agreement is just 3-5 years, this equates to an average annual rate of just 280 "unit years".

In contrast, the Co-operative and Non-Profit programmes have received an average annual allocation of 412 units in the City since 1982. Given that over 40% of these units are provided on a geared to income basis, this equates to an annual rate of 5,772 "unit years" or roughly twenty times the output of the Private Rent Supplement programme.

In addition, Private Rent Supplements pose problems from a developer's perspective. Prior to construction, Rent Supplement-based bonus agreements require: (1) evidence of an Ontario Housing Corporation Rent Supplement allocation; and: (2) evidence of a long term commitment to the section 44.1(a) programme. Unfortunately, OHC is generally unwilling to allocate Rent Supplements prior to construction and rarely enters into agreements for more than 3 to 5 years.

Rent Supplement allocations are required prior to construction to avoid the Toronto situation where developers took-up bonus density but were unable to find sources of assistance for the geared to income units. Long term Rent Supplement agreements are required to ensure that the developer provides an amount of social housing which is commensurate with the bonus incentive s/he receives and also to reduce the likelihood of geared to income tenants having to move every 3 to 5 years if agreements are not renewed.

Rather than require developers to provide Rent Supplement units within the bonused project, therefore, the bonus provision should allow for donations of land, cash or units to the City. The property can then be used as equity in a municipal housing venture or as a contribution to a third sector social housing venture. The bonus guidelines would identify in some detail the purposes to which this municipal equity could be put.

b) Ensuring Assisted Units are Modest, Appropriate Housing

Allowing the developer the option of providing cash or land or units at an alternative site ensures that assisted units are not placed in private buildings of an inappropriate design or price. This avoids some of the economic and social problems associated with requiring the developer to provide Rent Supplement units on-site.

On the cost side, many bonused projects will tend to be of a luxury nature. Private apartments built in recent years have had 30% higher rents than the older, rent controlled stock (8). Over a five year period, therefore, Rent Supplements would be 123% more expensive in newer, non-controlled units (9).

In terms of design, new private rental starts have become increasingly dominated by non grade-related housing forms. CMHC data shows a 216% increase in apartment completions as a proportion of total multiple completions since 1980 in the City of Ottawa (10). It is difficult, therefore, to support a Rent Supplement programme which is tied to non-family, high rent buildings.

c) Identifying Suitable Bonus Areas

The Vancouver experience indicates the importance of exercising care when identifying sites which are appropriate for bonus zoning.

Bonus zoning can be implemented in two ways. The "as of right" approach requires the municipality to initiate a rezoning to incorporate the bonus provision into the zoning by-law for a given district. Once the provision is in the by-law, it is available to developers on an "as of right" basis; that is, no rezoning is required.

In contrast, under a "negotiated" approach, the developer applies for a rezoning based on his/her assessment of the site in relation to the Bonus Guidelines. The rezoning is then processed in conformance with Section 34 of the Planning Act with provisions for public notice, Council approval and appeal.

As of right approaches were used in the early Toronto and Vancouver provisions. They were originally favoured because they were seen to ensure: (1) uniform treatment of developers in a given district; and: (2) a short, certain approval process not requiring any rezoning.

The weaknesses with the as of right approach, however, are numerous:

- LACK OF FLEXIBILITY. As of right provisions provide on formula for each district. This ignores the individual characteristics of each development. Some sites may be able to handle more or less density than others, depending on design particulars, soil conditions, adjacent uses, etc.

- COMMUNITY RESISTANCE. As of right provisions require only one rezoning to initiate the bonus for entire districts. Once the provision is in place, any developer can build to the specified bonus density without the notice, approval and public appeal process which normally accompanies developments with increased height or density. Communities are, therefore, likely to oppose any attempt to rezone their areas to incorporate as of right provisions.

- MARKET SENSITIVITY. In a negotiated bonus arrangement, officials are ensured that market conditions are favourable toward the extra density. There is always the danger in as of right rezonings that areas will be designated where there is no market demand for extra density.

A recent article by the Associate Dean of the University of Toronto's Law School argues in favour of "negotiated" rezonings, provided that Council operates within its legislative authority and acts in accordance with the provisions of an Official Plan:

> "Negotiations dealing with developments on a case by case basis are an important part of planning today"..."It provides and encourages flexibility and variety in development that zoning would not allow. Moreover, it enables individualized discretion. The demands placed on different developers should not necessarily be the same. To impose the same conditions on all developments - for example, the requirement to build a day-care centre or provide road widenings in all cases, when such a centre or road widening is not needed would be foolish. Different developments create different demands. The conditions imposed should, therefore, be individualized and not uniform" (11).

In addition, the Community Resources Division of Community Development supported the negotiated over the as of right approach since it was felt to be more in keeping with the City's Public Participation Policy.

Given the above noted weaknesses in the as of right approach to bonus zoning and the need to carefully identify suitable bonus areas, this report recommends the adoption of a negotiated bonus provision.

d) Developing Clear Administrative Guidelines

The Vancouver experience also indicates the need to draw up clear lines of authority for: (1) placement of tenants into assisted units; (2) development and enforcement of the bonus agreement; and: (3) initial bonus approval (from a planning as well as social housing delivery perspective).

To ensure that bonus provisions are expedited in a rational and equitable manner, a set of Administrative Guidelines should be prepared dealing with:

- DIVISION OF AUTHORITY. Lines of responsibility should be specified, given the necessary involvement of Community Development, Legal, Finance, and City Living staff.

- DENSITY GUIDELINES. Conditions under which extra density may be allowed should be established. To protect the interest of existing neighbourhoods, consideration should be given to such factors as compatibility with existing streetscape and service capacity. A suitable range of extra densities which may be considered should be established to provide more certainty to staff and developers.

- ASSISTED HOUSING REQUIREMENTS. The amount and value of land, cash or units to be provided in return for the bonus should be specified in as much detail as possible. These criteria should be flexible enough to allow staff to assess such qualitative aspects as the ability of the donated site to support certain types of assisted clients.

3. IMPLEMENTATION PLAN

Attachment 2 contains an action programme for implementation of a bonus provision for social housing in the City of Ottawa. The components of this programme are described below:

a) Official Plan Amendment

In order to implement bonus zoning for social housing, it is necessary to provide a statement of policy in the Official Plan. This statement should lay out the housing objectives intended to be addressed by the bonus provision. In addition, the policy should identify the nature of the public amenities (i.e., land, cash or units for social housing) to be provided in return for extra height or density (12).

Attachment 1 contains a draft Official Plan amendment which would enable the implementation of a bonus provision incorporating the key ingredients discussed above. Given the top priority assigned to housing issues by Council, it is suggested that Council approve in principle the Official Plan amendment contained in Attachment 1. The usual amendment process, including public notice, etc. would then follow.

b) Administrative Guidelines

As noted above, it is necessary to formulate some policy guidelines in order to build in measures of certainty and control when implementing a "negotiated" bonus provision.

Under the "negotiated" approach recommended above, the zoning by-law is amended in response to a developer's application for a rezoning, if the extra density is compatible with the criteria contained in the Administrative Guidelines. Of course, no extra height or density will be beyond the capacity of the existing community.

The Guidelines should be prepared by Planning Branch staff in consultation with City Living, the Legal Department and the public. An indication of the range of densities to be exchanged for social housing land, cash or units should be provided. In addition, performance criteria will be specified to aid staff in assessing the ability of the area to support extra density.

Finally, the Guidelines will establish a procedure for the administration of rezoning applications which involve the bonus provision. Allowances will be made for circulation to City Living, Planning Branch, Finance and the Legal Department.

c) Implementing By-law (Z-2K)

Rezoning applications which utilize the bonus provision will be evaluated to determine if the performance criteria in the Guidelines can be satisfied. Further technical and public circulations will be conducted; an amendment to the Zoning By-law will then be drafted and a report presented to Planning Committee.

In order to justify the administrative expense of formulating a bonus agreement, it is necessary that the extra density and donated property be reasonable significant. It is, therefore, recommended that any bonus agreement be approved by Council and not the Committee of Adjustment which typically handles rezonings which have a "minor impact" on the community.

INPUT FROM OTHER SOURCES

The Director of Property Law reviewed the draft bonus zoning report and comments are reflected in the final version.

The Legal Department requested the opportunity to comment and suggest revisions to the Official Plan Amendment prior to its final submission to Council. City Living staff have been involved in the preparation of this report.

ATTACHMENTS

1. Draft Official Plan Amendment: Bonus Provisions for Assisted Housing.

2. Bonus Zoning Action Programme.

COMMUNITY NOTIFICATION

The following public participation process has been carried out in relation to bonus zoning:

a) Publics Identified

- PRIVATE DEVELOPMENT INDUSTRY. A number of agencies were invited to a meeting with staff including the: Ottawa Board of Trade, Real Estate Board of Ottawa-Carleton, Ottawa Construction Association, Ottawa-Carleton Home Builders' Association, Building Owners' and Managers' Association. A representative from the RMOC Planning Department was also in attendance.

- COMMUNITY GROUPS. Staff invited a number of representatives of community groups to a second meeting, including the: Ottawa Federation of Housing Co-ops, Social Planning Council of Ottawa-Carleton, Centretown Citizens' (Ottawa) Corporation, Federation of Ottawa-Carleton Tenants' Associations, Association of Centretown Tenants, and members of the Four Ward Coalition (community representatives from the inner City area).

b) Notification and Consultation Process

The above groups were sent a copy of the Draft Action Proposal on Bonus Zoning and invited to separate consultations with the Housing Team on May 22, 1985.

c) Summary of Input: Development Industry

All persons attending the meeting were in favour of bonus provisions for social housing. It was felt that the Official Plan Amendment should also allow developers to provide cash-in-lieu of land or property for social housing. The suggestion has been incorporated into the draft amendment.

Bonus zoning was regarded as a good planning tool, allowing developers to be more creative in designing projects. Some concern was expressed that the development process would be made longer by introducing the bonus provision.

d) Summary of Input: Community Groups

Community representatives were supportive of bonus zoning for social housing in principle. A number of questions were raised with regard to the implementation of the bonus programme. It was agreed that these issues would be considered during the formulation of the Bonus Guidelines, at which time the public would again be consulted.

Some questions arose as to the applicability of bonus zoning for co-op and non-profit groups. It was agreed that this issue would also be raised during the formulation of the Bonus Guidelines.

DISPOSITION

Community Development to prepare the Bonus Guidelines and Official Plan Amendment. Legal Department to review Official Plan Amendment prior to going to Council.

FINANCIAL COMMENT

There are no direct financial implications at this time. The fee amount in real property or cash-in-lieu with respect to "Bonus Zoning" and designated use for revenues received will be the subject of a future report. It is anticipated that this will be in advance of or included with Step 2 "Development of Guidelines" as outlined in Attachment 2 - Bonus Zoning Action Program.

Commissioner of Finance

JO'L:11 16-7-85

NOTES

1. Peter Barnard Associates (1984) CITY OF OTTAWA STRATEGIC HOUSING STUDY, Phase I Report, p.3.8.; and Appendix E, p.34; and: p.2.3.

2. City of Ottawa Planning Branch (Apr. 30, 1985) "Current and Projected Vacancy Rates in Private Dwellings", (Ottawa: REPORT TO PLANNING COMMITTEE).

3. A. McAfee (1982) "No Funds to Stimulate... Then Regulate!", in Canadian Council on Social Development (1982) AND WHERE DO WE GO FROM HERE? (Ottawa), pp.89-95.

4. Ibid.

5. Ibid.

6. City of Toronto Planning and Development Department (May 14, 1981), "Assisted Housing Density Bonuses in Relation to Cost Recovery Structure of Developments and Potential Sites for Assisted Housing", (Toronto: REPORT TO NEIGHBOURHOODS COMMITTEE), pp.3-4.

7. P. Tomlinson (Spring, 1980) "Assisted Housing and the profit Motive" (Toronto: CITY PLANNING, v.3., no.1), p.5.

8. Ottawa Carleton Regional Housing Authority.

9. According to the April, 1984 CMHC vacancy survey, average rents in 2 bedroom, privately initiated apartments were $443 and $576 in the pre-1976 inflation rate and a 1984 household income of $16,560 (the National Council of Welfare low income line for a family of 3), five year Rent Supplement costs would be $6,730 in the rent controlled stock compared to $15,014 in the newer stock.

10. CMHC, Ottawa Branch Office.

11. S. Makuch (March, 1985) "Planning or Blackmail?" PLAN CANADA, 25:1, p.8.

12. Ontario, Ministry of Municipal Affairs and Housing (1983) "Zoning and Other Land Use Controls" GUIDELINE 8, -.6.

ATTACHMENT 1:

PROPOSED DRAFT AMENDMENT NO. ***
BONUS PROVISIONS FOR SOCIAL HOUSING

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PART B - THE AMENDMENT

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Implementation and Interpretation .....

PART C - THE APPENDIX

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STATEMENT OF COMPONENTS

Part A - THE PREAMBLE, introduces the actual Amendment but does not constitute part of Amendment No. *** to the Official Plan of the Ottawa Planning Area.

Part B - THE AMENDMENT, consisting of the following text constitutes Amendment No. *** to the Official Plan of the Ottawa Planning Area.

Part C - THE APPENDIX, does not constitute part of this Amendment. The appendix provides a bibliography of studies and Council direction related to Amendment No. ***.

Part A - The Preamble

Purpose

The purpose of this Amendment is to provide a policy basis for providing increased density (bonuses) in certain situations in exchange for some combination of land, property or cash in lieu to be used for social housing.

Location

This amendment is added to the text of Chapter II - Plan of Land Use, Implementation in the Official Plan of the Ottawa Planning Area.

Basis

As a result of the studies: "City of Ottawa Strategic Housing Study - Phase 1, April, 1984, and "Bonus Zoning For Social Housing, June, 1985", Ottawa City Council determined that there was a need to encourage the provision of rental accommodation which was affordable to low and moderate income households in the City.

Therefore, Amendment No. *** introduces a policy into the Official Plan of the Ottawa Planning Area which provides Council with a basis to amend the City's Comprehensive Zoning By-law Z-2K to incorporate bonus provisions for social housing.

Part B - The Amendment

Introductory Statement

All of this part of the document entitled Part B - The Amendment, consisting of the following text and attached map designated Schedule "A", constitutes Amendment No. *** to the Official Plan of the Ottawa Planning Area.

Details of the Amendment

The Official Plan of the Ottawa Planning Area is hereby amended as follows:

The text of Chapter II - Plan of Land Use, Implementation, is amended by adding the following to the end of the section:

"Bonus Zoning For Social Housing

It is an objective of City Council to encourage the provision of an adequate choice of housing, appropriate in price, quality and amenity for Ottawa's existing and future residents. To ensure production of modest, affordable residential stock which is appropriate to the needs of low and moderate income earners, Council may take steps to facilitate social housing production in the City.

Pursuant to this objective, Council may pass a by-law under Section 36 of the Ontario Planning Act authorizing increases in the density of permitted development, provided that the owner of any such building agrees with the City to grant an agreed upon amount of "facilities, services or matters" to the City in this case for the purposes of encouraging social housing development. The owner may provide some combination of real property or cash-in-lieu.

As part of the bonus provision, a Development Agreement will be signed by the owner and the City prior to the amendment of the zoning by-law.

An amendment to the City's Comprehensive Zoning By-law No. Z-2K will implement this policy and will specify the amount of extra density to be permitted, as well as the amount of real property or cash-in-lieu to be provided. Council shall have consideration for compatibility of the scale of proposed development with the character of the existing community before awarding any increase in density."

Interpretation and Implementation

Interpretation and implementation of this Amendment shall be made having regard to information contained in all Chapters of the Official Plan of the Ottawa Planning Area as well as Council-approved Guidelines affecting the use of the bonus provision.

Part C - The Appendix

The following appendix does not constitute part of Amendment No. ***, but is included as information supporting the Amendment.

Appendix I - Background

The Appendix, which consists of the text, maps and tables of the following reports, provides general background and detailed information in support of the policies outlined in Amendment No. *** and must be read in conjunction with Amendment No. ***.

1. Peter Barnard and Associates, City of Ottawa Strategic Housing Policy - Phase 1 Report, April, 1984.

2. City of Ottawa Planning Branch, Department of Community Development, "Housing Study: Work Programme", Report to Ottawa Planning Committee, November 15, 1985.

3. City of Ottawa Planning Branch, Department of Community Development, "Bonus Zoning For Social Housing", Report to Ottawa Planning Committee July, 1985.

ATTACHMENT 2:

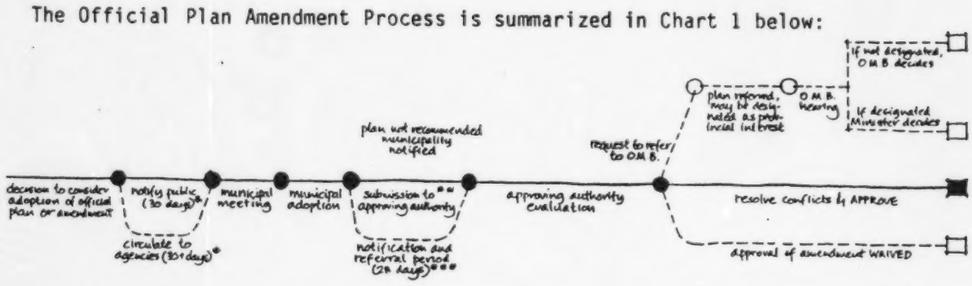
BONUS ZONING ACTION PROGRAMME

A four point programme is recommended to implement the bonus zoning provision discussed in the attached report:

. Official Plan Amendment
. Development of Guidelines
. Amendment of Zoning By-law
. Formulation of Development Agreements

In terms of overall scheduling, the Development of Guidelines will be carried out concurrently with the launching of the O.P. Amendment. This phase of the programme will take approximately nine months.

The Official Plan Amendment Process is summarized in Chart 1 below:


decision to consider adoption of official plan or amendment
notify public (30 days)*
circulate to agencies (30+days)*
municipal meeting
municipal adoption
plan not recommended municipality notified
submission to** approving authority
notification and referral period (20 days)***
approving authority evaluation
request to refer to OMB.
plan referred, may be declared as provincial interest
OMB hearing
If not designated, OMB decides
If designated Minister decides
resolve conflicts by APPROVE
approval of amendment WAIVED

* Notice and circulation to be in accordance with regulation

** Submission is to include:
. a copy of O.P. or amendment
. list of agencies circulated
. copy of agencies' comments
. summary of public involvement procedures

*** Notification of adoption must occur within first 7 days of the 20 day referral period

Note: Where the approval authority has been delegated, the Minister may call-in an O.P. or amendment after submission.

Source: Ontario Ministry of Municipal Affairs and Housing.

Once the amendment to the Official Plan is approved and Administrative Guidelines are in place, applications for rezoning may be entertained by Planning Committee. Negotiated rezonings which happen to be underway at present and which might include provision of some social housing should not be delayed by this process. Rather, they should occur as in the past, on the basis of two parties negotiating to some mutually satisfactory agreement.

Land Use and Development staff should be familiar with the Guidelines and should promote the use of the bonus provision by private developers developing sites which are deemed suitable for additional density.

Chart 2 summarizes the action programme for implementation of the bonus provision:

CHART 2: BONUS ZONING ACTION PROGRAMME